

Senate Engrossed House Bill

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

CHAPTER 203

## **HOUSE BILL 2579**

AN ACT

AMENDING SECTIONS 23-204, 23-350 AND 23-357, ARIZONA REVISED STATUTES;  
RELATING TO THE PAYMENT OF WAGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-204, Arizona Revised Statutes, is amended to  
3 read:

4 23-204. Employee benefits: state preemption; exemption;  
5 definition

6 A. The regulation of employee benefits, including NONWAGE  
7 compensation, paid and unpaid leave and other absences, meal breaks and rest  
8 periods, is of statewide concern. The regulation of NONWAGE employee  
9 benefits pursuant to this chapter and federal law is not subject to further  
10 regulation by a city, town or other political subdivision of this state.

11 B. This section does not apply to any employee benefit, including  
12 NONWAGE compensation, paid and unpaid leave and other absences, meal breaks  
13 and rest periods, provided by a city, town or other political subdivision of  
14 this state to any of its employees.

15 C. FOR THE PURPOSES OF THIS SECTION, "NONWAGE COMPENSATION" INCLUDES  
16 FRINGE BENEFITS, WELFARE BENEFITS, CHILD OR ADULT CARE PLANS, SICK PAY,  
17 VACATION PAY, SEVERANCE PAY, COMMISSIONS, BONUSES, RETIREMENT PLAN OR PENSION  
18 CONTRIBUTIONS, OTHER EMPLOYMENT BENEFITS PROVIDED IN 29 UNITED STATES CODE  
19 SECTION 2611 AND OTHER AMOUNTS PROMISED TO THE EMPLOYEE THAT ARE MORE THAN  
20 THE MINIMUM COMPENSATION DUE AN EMPLOYEE BY REASON OF EMPLOYMENT.

21 Sec. 2. Section 23-350, Arizona Revised Statutes, is amended to read:

22 23-350. Definitions

23 In this article, unless the context otherwise requires:

24 1. "Department" means the labor department of the industrial  
25 commission of Arizona.

26 2. "Employee" means any person who performs services for an employer  
27 under a contract of employment either made in this state or to be performed  
28 wholly or partly within this state.

29 3. "Employer" means any individual, partnership, association, joint  
30 stock company, trust, OR corporation, the administrator or executor of the  
31 estate of a deceased individual or the receiver, trustee or successor of any  
32 of such persons employing any person. Employer also includes this state and  
33 any county, municipality, school district or other political subdivision of  
34 this state.

35 4. "Hours worked" includes all time an employee is employed.

36 5. "MINIMUM WAGE" MEANS THE NONDISCRETIONARY MINIMUM COMPENSATION DUE  
37 AN EMPLOYEE BY REASON OF EMPLOYMENT, INCLUDING THE EMPLOYEE'S COMMISSIONS,  
38 BUT EXCLUDING TIPS OR GRATUITIES.

39 ~~5.~~ 6. "Payroll card account" means an account that is directly or  
40 indirectly established through an employer and to which electronic fund  
41 transfers of an employee's wages are made on a recurring basis whether the  
42 account is operated or managed by the employer, a third-party payroll  
43 processor, a depository institution or any other person.

1        ~~6.~~ 7. "Wages" means nondiscretionary compensation due an employee in  
2 return for labor or services rendered by an employee for which the employee  
3 has a reasonable expectation to be paid whether determined by a time, task,  
4 piece, commission or other method of calculation. ~~Wages include sick pay,~~  
5 ~~vacation pay, severance pay, commissions, bonuses and other amounts promised~~  
6 ~~when the employer has a policy or a practice of making such payments.~~

7        Sec. 3. Section 23-357, Arizona Revised Statutes, is amended to read:

8        23-357. Investigation of wage claims

9        A. The department shall investigate wage AND NONWAGE claims timely  
10 filed under section 23-356 to determine if wages are due or if a dispute  
11 exists between the parties to the claim.

12        B. Upon completion of its investigation, the department shall notify  
13 the parties to the claim of its findings in writing, which may include a  
14 finding that a dispute exists which cannot be resolved by the department's  
15 investigation. If it is determined that the claim for unpaid wages is valid,  
16 the department shall direct that the unpaid wages be paid by the party  
17 responsible for their payment.

APPROVED BY THE GOVERNOR MAY 11, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.

Passed the House March 1, 20 16

by the following vote: 35 Ayes,

24 Nays, 1 Not Voting

[Signature]  
Speaker of the House

☐ Pro Tempore

[Signature]  
Chief Clerk of the House

Passed the Senate April 11, 20 16

by the following vote: 18 Ayes,

11 Nays, 1 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2579

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

May 6, 2016,

by the following vote: 34 Ayes,

20 Nays, 6 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6 day of May, 2016,

at 8:18 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 11th day of

May, 2016,

at 9:12 o'clock A. M.

[Signature]  
Governor of Arizona

H.B. 2579

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 12 day of May, 2016,

at 3:13 o'clock P. M.

[Signature]  
Secretary of State